



(Billing Code 5001-06-P)

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 204

RIN 0750-AH80

Defense Federal Acquisition Regulation Supplement:

Clarification of "F" Orders in the Procurement Instrument

Identification Number Structure (DFARS Case 2012-D040)

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to update instructions for assigning basic and supplementary procurement instrument identification numbers.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before **[Insert date 60 days after date of publication in the FEDERAL REGISTER]**, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2012-D040, using any of the following methods:

- o Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by entering "DFARS Case 2012-D040" under the heading "Enter keyword or ID" and

selecting "Search." Select the link "Submit a Comment" that corresponds with "DFARS Case 2012-D040." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "DFARS Case 2012-D040" on your attached document.

- o E-mail: dfars@osd.mil. Include DFARS Case 2012-D040 in the subject line of the message.

- o Fax: 571-372-6094.

- o Mail: Defense Acquisition Regulations System, Attn: Veronica Fallon, OUSD(AT&L)DPAP/DARS, Room 3B855, 3060 Defense Pentagon, Washington, DC 20301-3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

FOR FURTHER INFORMATION CONTACT: Veronica Fallon, telephone 571-372-6087.

SUPPLEMENTARY INFORMATION:

I. Background

DoD is proposing to revise the DFARS to eliminate the requirement to utilize an "F" in the 9th position of the

procurement instrument identification number (PIIN) to identify awards to certain vendors, including AbilityOne and Federal Prison Industries (UNICOR), and to other Government organizations. These vendors are uniquely identified today by their DUNS number and/or CAGE code and, therefore, associated contract actions are easily tracked. There is no longer any need for DoD to uniquely identify contract actions with these vendors. Under the proposed rule, contract actions with these vendors will be treated and identified in the same manner as those with any other vendor. This change proposes to limit the use of "F" in the 9th position of the PIIN to those task and delivery orders issued under a non-DoD issued contract or agreement. It is anticipated that this proposed change, which further standardizes DoD procedures, will also reduce data errors and interoperability problems throughout the Department's business processes.

II. Discussion and Analysis

DoD is proposing the following changes to the DFARS:

- Revise 204.7003, Basic PII number, paragraph (a)(3), Position 9, by—
 - Deleting from subparagraph (iii) instrument type C, the exception for contracts placed with or through other Government departments or agencies;

- Deleting from subparagraph (vi) instrument type F, contracting actions placed with or through other Government departments or agencies or against contracts placed by such departments or agencies outside the DoD (including actions from nonprofit agencies employing people who are blind or severely disabled (AbilityOne), and the Federal Prison Industries (UNICOR));
- Providing at subparagraph (vi) instrument type F direction for its use with blanket purchase agreement calls, orders under contracts, including Federal Supply Schedules, Governmentwide acquisition contracts, and multi-agency contracts, basic ordering agreements issued by departments or agencies outside of DoD; and
- Revising 204.7004, Supplementary PII numbers, paragraph (d)(2)(ii) by providing direction to use "F" in position 9 for calls against blanket purchase agreements and orders placed under non-DoD issued contracts including Federal Supply Schedules, Governmentwide acquisition contracts, and multi-agency contracts, or basic ordering agreements. The proposed text also directs that a supplementary PII number with an "F" in the 9th position is to be used only once, and not for more than one order.

III. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

IV. Regulatory Flexibility Act

DoD does not expect this proposed rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because it applies to a narrowly limited population of contract actions. However, an initial regulatory flexibility analysis has been performed and is summarized as follows:

This proposed rule would affect how DoD contracting officers assign Procurement Instrument Identification Numbers (PIINs) to procurement actions. The proposed rule does not impact small entities as it only impacts the internal operating procedures of

the Government by specifying how the assigned PIIN is constructed for certain procurement actions. This change would limit the use of "F" in the 9th position to those calls or orders issued under non-DoD issued contracts, basic ordering agreements, or blanket purchase agreements. As a result of the proposed rule, new awards under the AbilityOne program and the Federal Prison Industries program would no longer reflect an "F" in the PIIN.

The rule does not duplicate, overlap, or conflict with any other Federal rules. There are no significant alternatives to accomplish the stated objectives of this rule. DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2012-D040) in the correspondence.

IV. Paperwork Reduction Act

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of subjects in 48 CFR part 204.

Government procurement.

Manuel Quinones,

Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR part 204 is proposed to be amended as follows:

1. The authority citation for 48 CFR part 204 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

PART 204—ADMINISTRATIVE MATTERS

2. Section 204.7003(a)(3) is amended by revising paragraphs (iii) and (vi) to read as follows:

204.7003 Basic PII number.

(a) * * *

(3) * * *

(iii) Contracts of all types except indefinite-delivery contracts, sales contracts, and short form research contracts. Do not use this code for contracts or agreements with provisions for orders or calls—C

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(vi) Calls against blanket purchase agreements and orders under contracts (including Federal Supply Schedules, Governmentwide acquisition contracts, and multi-agency

contracts) and basic ordering agreements issued by departments or agencies outside DoD. Do not use the F designation on DoD-issued purchase orders, contracts, agreements, or orders placed under DoD-issued contracts or agreements—F

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3. Section 204.7004(d)(2) is amended by revising paragraph (ii) to read as follows:

204.7004 Supplementary PII numbers.

* * * * *

(d) * * *

(2) * * *

(ii) If an office is placing calls against blanket purchase agreements or orders under non-DoD issued contracts (including Federal Supply Schedules, Governmentwide acquisition contracts, and multi-agency contracts), or basic ordering agreements, the office shall identify the instrument with a 13 position supplementary PII number using an F in the 9th position. Do not use the same supplementary PII number with an F in the 9th position on more than one order. Modifications to these calls or orders shall be numbered in accordance with paragraph (c) of this section.

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